

Bruce County Joint Compliance Audit Committee Terms of Reference

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Bruce County Joint Compliance Audit Committee Terms of Reference

1. Definitions

“**Act**” means the *Municipal Elections Act, 1996*, S.O. 1996, c. 32, as amended from time to time.

“**Applicant**” means the individual who submitted the application requesting a Compliance Audit.

“**Audit Committee**” means the three (3) members selected by the Clerk of the Member Municipality who receives an application for a Compliance Audit.

“**Audit Committee Pool**” means the pool of 3-7 members to be appointed to the Joint Compliance Audit Committee and from which the Audit Committee will be selected from, as needed.

“**Auditor**” means a person appointed by the Committee, licensed under the *Public Accounting Act, 2004*, to conduct a Compliance Audit of a Candidate's or Third Party Advertiser's election campaign finances pursuant to Section 88.33(10) and (11) of the Act.

“**Auditor's Report**” means a report prepared by an auditor for the Committee pursuant to Section 88.33(12) of the Act.

“**Candidate**” means the candidate whose election campaign finances are the subject of an application for a Compliance Audit.

“**Clerk**” means, as the context provides, the Clerk from the applicable member municipality of the “Bruce County Joint Compliance Audit Committee”, or his or her designate.

“**Compliance Audit**” means an audit of a Candidate's or Third Party Advertiser's election campaign finances conducted by an Auditor appointed by the Audit Committee.

“**Council**” means, as the context provides, the Council of any of the Participating Municipalities.

“**Family Member**” means a child, parent and spouse of a Committee member, as defined in the *Municipal Conflict of Interest Act*, and shall also include mother, father, sister, brother, daughter-in-law, son-in-law, step-child, sibling, grand-child.

“**Bruce County Joint Compliance Audit Committee**” means the Joint Compliance Audit Committee established pursuant to Section 88.37(1) of the Act and may also be referred to as the “Joint BC JCAC”.

“**Municipal Conflict of Interest Act**” means the *Municipal Conflict of Interest Act*, R.S.O. 1990, c. M.50, as amended from time to time.

“**Member Municipalities**” means all or some of the following municipalities participating in the Joint Compliance Audit Committee process: Municipality of Arran-Elderslie, Municipality of Brockton, Municipality of Kincardine, Municipality of Northern Bruce Peninsula, Municipality of South Bruce, Town of Saugeen Shores, Township of Huron-Kinloss.

“Pecuniary Interest” means a direct or indirect interest within the meaning of the Municipal Conflict of Interest Act.

“Private Session” means any portion of the meeting that is closed to the public for confidential deliberation in accordance with the Act.

“Reasonable Notice” means the posting of the meeting agenda on the website of the Member Municipality who received the request at least two (2) business days in advance of the meeting and advising the Applicant, Candidate, Contributor or Registered Third Party Advertiser, as applicable, by email or telephone.

“Registered Third Party Advertiser” / “Third Party Advertiser” / “Registered Third Parties” means an individual resident in Ontario, a corporation carrying on business in Ontario or trade union who has filed with the clerk of the municipality responsible for conducting an election a notice of registration to be a registered third party advertiser for the election pursuant to Section 88.6 of the Act.

“Selection Committee” means the subcommittee, composed of the selected Clerks of the Member Municipalities that will choose the members of the Committee.

“Trade Union” means a trade union as defined in the *Labour Relations Act, 1995* or the *Canada Labour Code* (Canada) and includes a central, regional or district labour council in Ontario.

2. Enabling Legislation

Section 88.37(1) of the Act requires that before October 1st in an election year, Council establish a compliance audit committee for the purposes of Section 88.33 and Section 88.35 of the Act relative to a possible contravention of the Act’s election campaign finance provisions.

3. Name

The name of the Committee is the “Bruce County Joint Compliance Audit Committee” (and may also be referred to as the “BC JCAC”) consisting of the following municipalities:

- Municipality of Arran-Elderslie
- Municipality of Brockton
- Municipality of Kincardine
- Municipality of Northern Bruce Peninsula
- Municipality of South Bruce
- Town of Saugeen Shores
- Township of Huron-Kinloss

4. Purpose

The powers and functions of the BC JCAC are set out in Sections 88.33 to 88.37 of the *Municipal Elections Act, 1996* (“the Act”). The Audit Committee will perform the functions relating to the compliance audit application process as outlined in the Act.

5. Term

The term of office is from November 15, 2026 to November 14, 2030 to deal with applications from the 2026 Election and any by-elections during Council's term.

6. Composition of the Bruce County Joint Compliance Audit Committee

The BC JCAC shall be composed of an Audit Committee Pool of no more than seven (7) and no less than three (3) members.

7. Membership Eligibility & Selection

Eligibility: Membership will be drawn from the following groups:

- a) accounting and audit - accountants or auditors with experience in preparing or auditing the financial statements of municipal candidates and registered third party's;
- b) legal profession with experience in municipal or administrative law;
- c) professionals who in the course of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals; and/or
- d) other individuals with knowledge of the campaign financing rules of the *Municipal Elections Act*.

Pursuant to section 88.37 of the Act, the following are **not eligible** to be appointed to the BC JCAC:

- a) members of Council or local board;
- b) employees or officers of the municipality or local board;
- c) any Candidates or any persons who are Registered Third Parties in the 2026 election or in any by-election during the term of Council for any member municipality;
- e) any person who prepares the financial statements of any candidate running for office on Council or Third-Party Advertiser during the term for which the BC JCAC has been established would not be eligible for appointment to the BC JCAC.

Selection of the BC JCAC: A Selection Committee, chosen from Clerks of Member Municipalities will promote, advertise and make recommendations for appointment to the Bruce County Joint Compliance Audit Committee. One member shall be chosen from the Selection Committee to be the contact for submission.

The Terms of Reference and application requirements will be posted, as a minimum, on the municipal websites of the Member Municipalities. In addition, advertisements may be placed in local newspapers in Member Municipalities, where applicable. The Selection Committee may also contact and solicit individuals who may fit within an eligible group noted above.

All applicants will be required to submit an application form as established by the Selection Committee and/or Member Municipalities.

The Selection Committee will receive and review all letters of interest and select up to seven (7) members.

Members will be selected based on the following:

- a) demonstrated knowledge and understanding of municipal election financing rules;
- b) proven analytical and decision-making skills;
- c) experience working on a committee, task force or similar setting;
- d) availability and willingness to attend meetings; and
- e) demonstrated oral and written communication skills.

Preference may be given to qualified electors in the County of Bruce.

Recommended candidates will be submitted to the Council of each Member Municipality for consideration.

8. Conflict of Interest

Legislated requirements as set out in the *Municipal Conflict of Interest Act* shall apply to all BC JCAC members. It is the responsibility of each member to disclose any pecuniary interest prior to discussion of a particular matter. Members are encouraged to seek independent legal advice if they are unsure of whether or not they have a pecuniary interest in a matter. Staff from the Member Municipalities will not provide advice or interpretation related to declarations. Failure to adhere to this requirement will result in the individual being removed from the BC JCAC.

No BC JCAC member shall prepare or audit the election financial statements of any candidate or registered third party for any of the Member Municipalities in the current municipal election. Failure to adhere to this requirement will result in the individual being removed from the BC JCAC.

9. Selecting an Audit Committee from the Audit Committee Pool

When an application has been filed under the applicable section of the Act, the Clerk of the Member Municipality who received the application shall select three (3) of the seven (7) members to sit as the Audit Committee to review the application. If a member cannot fulfill their duties on the Audit Committee, the Clerk may appoint a replacement member from the four (4) remaining members in the pool.

Replacement members may be called upon to replace a voting member that is unavailable, declares a conflict of interest under the *Municipal Conflict of Interest Act*, or has resigned from the Audit Committee.

10. Quorum

A quorum shall be a majority of the Audit Committee members.

If a quorum is not present within fifteen (15) minutes of the time fixed for the commencement of the meeting, the Audit Committee meeting will be rescheduled to a future date.

11. Selection of the Chair

The Chair shall be selected from among the Audit Committee members at the first meeting of the committee after receiving a Compliance Audit Application. . If there is no consensus on a Chair, selection will be carried out by way of nomination and vote of the Audit Committee members present.

If the Chair of the Audit Committee resigns as the Chair or as a member of the Committee, the Audit Committee shall appoint another member as Chair for the balance of the compliance audit..

If the Chair is not present within the first ten minutes of a Committee meeting or is absent through illness or otherwise, the Audit Committee shall select another member as Acting Chair. While presiding, the Acting Chair shall have all the powers of the Chair. Selection of the Acting Chair shall be in the same manner as the selection of the Chair.

12. Duties of the Chair

The Chair shall:

- a) call Audit Committee meetings to order when there is a Quorum, preside over Audit Committee discussions, facilitate Audit Committee business, follow meeting procedures, identify the order of proceedings and speakers and rule on points of order;
- b) participate as an active and voting member; and,
- c) encourage participation by all members.

13. Duties of Audit Committee Members

The duties of Audit Committee members are as follows:

- a) Carry out all statutory obligations of a Compliance Audit Committee in accordance with the Act.
- b) Attend all Audit Committee meetings, sending regrets otherwise.
- c) Understand their role, the Audit Committee's mandate and meeting procedures.
- d) Declare any pecuniary interest in any matter prior to consideration by the Audit Committee. The member shall leave the meeting during all discussion on the matter including a private session.
 - i. Where the pecuniary interest of a member has not been disclosed by reason of the member's absence from the meeting, the member shall disclose the pecuniary interest and otherwise comply with subsection (d) at the first meeting of the Audit Committee attended by the member after the meeting referred to in subsection (d).
- e) Participate as an active and voting member, asking questions, and seeking clarification through the Chair.
- f) Provide the reasons for a decision in writing, as applicable.
- g) Develop and maintain a climate of mutual support, trust, courtesy and respect.
- h) Work together to utilize the knowledge, expertise and talents of all members.
- i) Respect the decisions of the Audit Committee and that such decisions reflect the

majority view.

14. Staffing / Secretary

The Clerk from the applicable Member Municipality, or his or her delegate, shall act as Secretary to the Audit Committee.

The Clerk may establish administrative practices and procedures for the Audit Committee and shall carry out any other duties required under the Act to implement the Audit Committee's decision.

15. Selection of an Auditor

If the Audit Committee decides to grant the application, it shall appoint an Auditor, licensed under the Public Accounting Act, 2004, to conduct a compliance audit of the Candidate's or Third Party Advertiser's election campaign finances.

16. Expenses

The Member Municipality requiring the services of the Audit Committee shall be responsible for all associated expenses, including the auditor's costs.

17. Committee Member Remuneration

- \$300 per day or \$150 per half day (3 ½ hours); and
- Mileage rate per applicable Member Municipality's mileage policy.

18. Meetings

Meetings will be conducted according to the appropriate sections of the *Municipal Elections Act* and any administrative practices and procedures developed or adopted for this purpose by the applicable Member Municipality, excluding closed session provisions.

The Clerk of the applicable Member Municipality when required shall call a meeting of the Audit Committee when he or she receives an application for a Compliance Audit or if one is required because of a report under Section 88.34. The Applicant, Candidate, Registered Third Party Advertiser or their representative will be provided with an opportunity to address the Audit Committee and provide written submissions.

Audit Committee meetings will be open to the public, but the Audit Committee may deliberate in private, as noted in Section 88.33(5.1). No votes may be taken in private session.

Meeting dates, start times, locations and agendas shall be set by the Clerk and communicated directly to the Audit Committee members. The agenda shall provide an opportunity for any member to declare a conflict of interest. Subsequent meetings will be held at the call of the Chair in consultation with the Clerk.

Audit Committee activity shall be determined primarily by the number and complexity of applications for compliance audits that may be received. The frequency and duration of meetings will be determined by the Audit Committee in consultation with the Clerk.

Meeting Location:

The Audit Committee shall meet at the location determined by the applicable Member Municipality and may be held in-person or virtually.

Meeting Notices, Agendas and Minutes:

The agenda shall constitute notice. The Clerk of the Member Municipality requiring the services of and Audit Committee shall cause reasonable notice of the meetings to be provided per the requirements of the *Municipal Election Act*.

The agendas and minutes of meetings shall be posted on the Member Municipality's website a minimum of two (2) business days prior to the date of each meeting, not including weekends or holidays.

Minutes of each meeting shall outline the general deliberations and specific actions and recommendations that result.

Meeting Attendance

Any member of the Audit Committee, who misses three (3) consecutive meetings, without being excused by the Audit Committee, may be removed from the Audit Committee. The Audit Committee must make recommendations, by a report to Council for the removal of any member.

19. Administrative Practices and Procedures

Procedures for Contraventions are listed in Appendix A attached to these Terms of Reference.

These Terms of Reference constitute the Administrative Practices and Procedures of the Committee. Any responsibilities not clearly identified within these Terms of Reference shall be in accordance with Section 88.33 to 88.37 of the *Municipal Elections Act, 1996*.

The Clerk at any time has the right to develop or adopt additional administrative practices and procedures.

The records of the Audit Committee meetings shall be retained and preserved by the Clerk of the Member Municipality requesting the service of the Audit Committee in accordance with that municipality's Records Retention Policy.

Appendix A – Procedures for Contraventions:

The Audit Committee shall receive an application from the Clerk within ten (10 days) after the Clerk receives the application from an elector for a compliance audit, and follow the contravention procedures listed below that correspond with the application.

Candidate Contravention

- a. within thirty (30) days receipt of a compliance audit application by an elector, consider the application and decide whether it should be granted or rejected;
- b. give to the Candidate, the Clerk and the Applicant the decision of the Committee to grant or reject the application, and brief written reasons for the decision;
- c. if the application is granted, appoint a licensed auditor to conduct a compliance audit of the Candidate's election campaign finances;
- d. receive the auditor's report from the Clerk within ten (10) days of their receipt of the report;
- e. within thirty (30) days receipt of the auditor's report from the Clerk, consider the report;
- f. if the report concludes that the candidate appears to have contravened a provision of the Act relating to election campaign finances, decide whether to commence legal proceedings against the candidate for the apparent contravention;
- g. after reviewing the report, give to the Candidate, the Clerk and the Applicant the decision of the Committee, and brief written reasons for the decision.

Candidate Contributor Contravention

- a. within thirty (30) days receipt of a report identifying each contributor to a candidate for office on a council who appears to have contravened any of the contribution limits, consider the report and decide whether to commence a legal proceeding against the contributor for an apparent contravention.
- b. after reviewing the report, give to the Contributor and the Clerk the decision of the Committee, and brief written reasons for the decision.

Registered Third Party Contravention

- a. within thirty (30) days receipt of a compliance audit application by an elector, consider the application and decide whether it should be granted or rejected;
- b. give to the Registered Third Party, the Clerk and the Applicant the decision of the Committee to grant or reject the application, and brief written reasons for the decision;
- c. if the application is granted, appoint a licensed auditor to conduct a compliance audit of the Registered Third Party's campaign finances;
- d. receive the auditor's report from the Clerk;
- e. within thirty (30) days receipt of the auditor's report, consider the report;
- f. if the report concludes that the Registered Third Party appears to have

contravened a provision of the Act relating to campaign finances, decide whether to commence legal proceedings against the Registered Third Party for the apparent contravention;

- g. after reviewing the report, give to the Registered Third Party, the Clerk and the Applicant the decision of the Committee, and brief written reasons for the decision.

Registered Third Party Contributor Contravention

- a. within thirty (30) days receipt of the report, consider the report;
- b. if the report concludes that the Contributor appears to have contravened a provision of the Act relating to campaign finances, decide whether to commence legal proceedings against the Contributor for the apparent contravention;
- c. after reviewing the report, give to the Contributor and the Clerk the decision of the Committee, and brief written reasons for the decision.